

FISCAL NOTE
HB 3035 - SB 3107

March 6, 2000

SUMMARY OF BILL:

- Amends the law on regulation of child care centers to clarify the authority and responsibility of the Departments of Human Services, Children's Services and Education.
- Raises license fees for all categories of child care centers.
- Moves the regulation for Head Start and Montessori programs from DHS to the Department of Education and clarifies which agencies are exempt from licensing by any department.
- Requires criminal background checks for persons applying to work or volunteer in child care centers.
- Streamlines the process for placing agencies on probation and allows DHS to impose civil penalties up to \$1,000 for each violation.
- Allows DHS greater latitude when denying, suspending or revoking a license.
- Requires centers operating under the authority of the Department of Education to receive certificates of approval from the Department.
- Also amends the law on Adult Day Care centers to require criminal background checks for applicants to work and volunteer.

ESTIMATED FISCAL IMPACT:

Increase State Expenditures - \$1,902,000 Recurring
\$1,166,500 One-Time

Increase State Revenues - \$2,604,000 1st Year
\$1,910,700 2nd Year
\$2,424,000 3rd Year

Increase Local Govt. Expenditures* - Exceeds \$100,000/Permissive

Other Fiscal Impact – Increase Federal Expenditures – \$513,000 Recurring
\$16,000 One-Time

Assumes:

- DHS will need 5 staff positions and associated expenses to fund and coordinate approximately 13,560 background checks annually.
- DHS will receive an increase in license fees for each of the next three fiscal years, \$924,000 in the first year, \$230,700 in the second, and \$744,000 in the third year.
- TBI will need 3 positions and associated expenses, including \$325,400 for FBI costs, to perform background checks on 13,560 child care providers.

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- TBI will need 10 positions and associated expenses, including \$840,000 for FBI costs, to perform background checks on an estimated 35,000 local child care workers annually. TBI will receive \$1,680,000 in revenues from local agencies for background checks.
- Local education agencies and other local governmental entities will incur expenditures to the extent they choose to reimburse applicants that accept positions as employees or volunteers.

**Article II, Section 24 of the Tennessee Constitution provides that: no law of general application shall impose increased expenditure requirements on cities or counties unless the General Assembly shall provide that the state share in the cost.*

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "James A. Davenport". The signature is fluid and cursive, with a large, stylized initial "J".

James A. Davenport, Executive Director